

Wherefore Art Thou All Our Women High-Potentials?

By Anna Marie Valerio



Many talented women exist in the workforce, particularly as potential and emerging leaders. Women outnumber men in college graduation rates: women earn 57 percent of bachelor's degrees, 60 percent of master's degrees, 52 percent of doctoral degrees. However, while there is near gender parity for entry-level employees in S&P 500 companies, few women rise to the C-suite. Currently, women represent 37 percent of mid-level managers, 27 percent of executive/senior-level managers, 21 percent of board seats, and only 5.2 percent of CEO positions (Catalyst, 2017). Moreover, there are places, where women are not represented at all: globally, one-third (33%) of businesses have no women in senior management roles. Clearly there is something wrong with this equation. If women represent such a significant proportion of the workforce at lower levels why aren't they ascending to the upper ranks? Are our talent management systems not accurately or fairly identifying potential in future women leaders at the same rates as men? Are we not rewarding or promoting women at the same rates? Are we not looking for and reinforcing the same types of behaviors? These are significant issues worth exploring further for both organizations and society in general.

Business leaders know that these numbers uncover an important opportunity for economic growth, both in the U.S. and across the globe. Recent analyses have estimated that \$12 trillion could be added to global GDP by 2025 by advancing women's equality (McKinsey Global Institute, 2015). Many studies have shown that gender diversity in boards of directors and corporate leadership roles have positive effects on return on investments and return on assets (Curtis et al, 2012; Woetzel et al., 2015). Positive diversity climates have also been shown to include other benefits such as better decision-making, improved social performance, increasing employee retention, lower levels of turnover intentions (Ferdman & Deane, 2014). So where are organizations going wrong?

One of the first places we need to look is the process of identifying women leaders and the future potential of those women leaders. While much has been written about the challenges that women face in corporate settings compared to their male counterparts, very few have applied this same lens to understanding the issues and biases that may be inherent in high-potential identification systems. It stands to reason, however, that one of the primary reasons behind the lack of women in key senior leadership roles today is that something

happens to them along the way of their high-potential journey through the talent management process.

Early identification of potential is critical to the current and future success of any organization. How can CEOs and CHROs ensure that their organizations remain competitive if they don't utilize 50% of the talent pool? What are the issues that need addressing? Are the talented women just not placed on high-potential succession planning lists or do they derail due to expectations for behaviors that are imbued with gender stereotypes and biases? The situation for women's leadership today invites inquiries and compels answers. Many of you may be asking some of these questions:

- *Where are all the women leaders?*
- *Why aren't more of them in top leadership roles?*
- *Are they being identified as high-potentials at the same rates as men, and if so what happens to them along the way?*
- *How might you go about identifying more women for high-potential lists?*
- *What overt and covert biases might exist in your talent management systems, processes and tools that are getting in the way of facilitating the advancement of women throughout the leadership pipeline?*
- *What derails high-potential women and what are the actions to prevent derailment?*
- *What must men and women know about new findings on gender and leadership?*

These questions are critical for solving the equation. While we don't have all the answers yet we can draw from existing research and practice to give us some clear insights and actions to help address the problems.

It All Starts with Socialization

Perhaps the first place to look for answers is the talent management systems that form the foundation of how organizations manage their leadership pipelines. Clearly organizations have many tools at their disposal to support emerging leaders (Valerio, 2009). Together with the actions of senior leaders, the "socialization" of emerging leaders occurs through key developmental experiences, mentoring, and internal and external coaching. Many leaders have learned that the tools in talent management create values and behaviors in a healthy culture that result in strong business results. Understanding how the "soft" frameworks of leadership competency models and styles are then "hardwired" into recognition and reward systems is critical to encouraging the behaviors that lead to business success. Metrics such as performance evaluations and 360-degree feedback enable people to learn how the organization evaluates and measures their behaviors and actions. Thus, it is critical these tools remain bias free and based on valid predictors of success particularly when they are used to identify, select and develop talent.

Unfortunately, however, the implementation and integration of these tools in a consistent and coherent way across the organization is often a difficult task. Despite the best intentions, biases and internally reinforcing frameworks can creep in that signal and/or reward the wrong behaviors and outcomes. One suggested approach here then is to tackle

the issue as a "turn-around" or a "fix-it" opportunity when leaders turn around bad business results or fix a part of the organization that is failing. If we look to our talent management systems and tools we may find there is a significant opportunity for change. Ironically, this situation may bear some resemblance to many of the key challenging experiences assigned to leaders for their development, fundamental to "experience-driven leadership development" (McCauley, et. al., 2014).

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Data and Observations, Challenges, and "Call to Action"

In looking at the leadership research in the past decade, there are new findings that shed light on the gender challenges to be overcome to arrive at solutions. These challenges lead to a call to action to address root causes at the heart of the problem posed by the dearth of women in top leadership roles. It all starts with how high-potential women leaders are identified, rewarded, developed and moved throughout the organizational system. After all, if women are not seen or promoted as high-potential talent they are never going to ascend to the top of the organization. This next section highlights key aspects of the data and observations available, and the underlying challenges uncovered by recent research and the "call to action" that senior leaders can take to improve the number of talented women leaders in succession planning pipelines.

Data and Observations #1: High-Potential Identification and Succession — Women are not at the very top of succession planning lists and/or are not given the right challenging opportunities that stretch their abilities to develop them as top leaders.

Challenge: Align leadership models with organizational vision & strategy, values, goals for success. Men and women learn what behaviors are effective to become strong leaders from organizational "blueprints" for vision, strategy, values, and corporate goals. If these blueprints are vulnerable to gender stereotypes and biases in descriptions of what it takes to be a "strong leader," then the leadership development effort is doomed from the very beginning. High-potential measures are no different. Recent benchmark research with top development companies has shown that organizations rely on leadership competencies as the number one content domain for assessing potential (Church, Rotolo, Ginther & Levine, 2015). This is ripe for biases if not appropriately addressed.

Gender stereotypes can narrow the range of behaviors deemed acceptable for both men and women, which research shows places women at a great disadvantage because they are viewed as more deficient in the "agentic" attributes believed necessary to succeed as a manager. When women's behavior is viewed as too "agentic" and not "communal," they

are vulnerable to the risks of derailment, marginalization, and ostracism. If stereotypes and biases can creep into the ways in which leadership models and high-potential assessments are implemented in organizations, then the likelihood is increased that talented women will not be seen as a good “fit” for leadership roles.

Call to Action:

- Examine your leadership models and frameworks for “unconscious biases” that could impact interpretations.
- Conduct statistical analyses at the competency and behavioral levels to ensure there are no systemic differences between men and women leaders (and men and women high-potentials).
- Make sure that the organization’s aspirational goals for values, strategy, and success include gender inclusiveness as one of the content domains (e.g., see Church, Rotolo, Shull & Tuller, 2014 for an example of how PepsiCo has done this with their HR systems).

Data and Observations #2: Talent Management and Reward Systems — The organization has low retention rates for high-potential women. Women are more likely to quit at a certain level(s) in the organization. There are gaps between high performance evaluations and distribution of rewards, i.e. high-potential women receive high performance evaluations, but do not receive proportional recognition, rewards, or promotions.

Challenge: Ensure metrics and recognition and rewards are bias-free. Even if an organization’s leadership competency model is inclusive by design, many studies have shown that men have been perceived to have more of the general characteristics of leaders than women. This results in men receiving a greater share of “real” or “meaningful” success. For example, meta-analysis has shown that a) gender differences in rewards such as salary, bonuses, and promotions are significantly larger than performance evaluations and that b) having a higher percentage of men in an occupation increased the gap between performance and rewards (Joshi, Son, & Roh, 2015). This gap was reversed, however, when there was a higher representation of female executives at the industry level.

Just because your organization has well-developed performance management systems, formal assessments and talent management and review processes does not automatically mean that you are safe from the unconscious bias and stereotypical thinking that can creep in during implementation of policies and practices. Every aspect of your process needs to be examined in light of where women enter and exit the talent pipeline. Most organizations already conduct gender pay equity analyses, but consider whether promotion rates, critical experiences, attendance at leadership programs, and other talent management efforts are also being offered in the same manner. Might stereotypical thinking continue to influence assessments and measurements like 360-degree feedback and assessment evaluations?

Call to Action:

- Measure if and at what level there is a ceiling for the high-potential women.

- Examine exit interview data to understand where and why it occurs. If it’s not telling you anything consider enhancing the process to focus specifically on key issues.
- Review performance appraisals and resulting rewards for alignment between performance metrics and rewards.

Data and Observations #3: Trends in Behavioral Ratings — 360-degree feedback results for women show low ratings in interpersonal skills or other indications that “agentic” behaviors are judged more harshly.

If lower interpersonal skills pose more serious derailment issues for women than for men, gender stereotypes are distorting the behavioral ratings.

Challenge: Address 360-degree feedback ratings and derailment. Given the prevalence of 360-degree feedback in organizations today (Church, et al., 2015) and the issues cited above with respect to leadership frameworks and performance expectations and ratings, it should come as no surprise that feedback often produces differences between men and women as well. In fact, feedback gives us unique insights into the typical pattern of derailment for high-potential women. Using large managerial samples with tens of thousands of managers across different industries, ineffective interpersonal behaviors such as insensitivity to others, coldness, arrogance resulted in a greater likelihood of derailment for women than for men (Bono et al., 2017). These results suggest that, if lower interpersonal skills pose more serious derailment issues for women than for men, gender stereotypes are distorting the behavioral ratings.

Thus, derailment naturally occurs more easily for women and women high-potentials. This means that even if you ensure women are added to your high-potential pool initially, they are falling off the high-potential lists at faster rates. Are we really justified in expecting the gender stereotypes of greater sensitivity or “EQ,” warmth, and humility from women leaders facing the same stressful managerial situations as men in the workplace? Furthermore, we might ask, in addition to greater numbers of derailleurs, are there different types of them for women than for men?

Call to Action:

- Review and analyze results of 360-degree feedback for high-potential women and men considering these research results. If differences are found, focus on revising your tools to reduce bias.
- Determine opportunity for training on unconscious biases in all types of behavioral and performance ratings.
- Hold managers accountable for fairness and objectivity in all ratings of performance.
- Consider implementing upward feedback tools that



focus on manager quality and not just leadership competencies to tease out key differences in behavioral expectations and fair treatment.

Data and Observations #4: Access to Mentoring — Women leaders do not have access to the same levels of performance feedback as do male leaders. Mentoring by senior executives is not used to the same extent to develop high-potential women as it is for men.

Challenge: Establish mentoring opportunities. Compared with other diversity initiatives, mentoring was found to be the most impactful activity for increasing diversity and inclusion at work (Dobbin & Kalev, 2016). Mentoring is also one of the key levers for developing high-potentials as defined in the classic 70-20-10 talent management model (Silzer & Dowell, 2010). However, women report more barriers to finding mentors than men (Ragins & Cotton, 1991). Although informal, naturally occurring mentoring relationships are viewed as more beneficial for mentees (Ragins & Cotton, 1999). At the very least, even formal mentoring programs enable women to receive mentorship from male leaders, which may include having access to important information they might not otherwise encounter.

This is particularly important for high-potential women as they learn how to influence at higher levels in the organization and expand their networks. Men who are recognized as being advocates for women in their organizations, that is, male champions for women's leadership, consciously provide gender-aware mentoring and coaching (Valerio & Sawyer, 2016). Whether formal or informal, mentoring provides an opportunity for both mentors and mentees to learn from other people who have different perspectives and life experiences. Despite the obvious benefits, it is surprising that more organizations do not find ways to take maximum advantage of this process.

Call to Action:

- Measure the extent to which informal or formal mentoring is used for all high-potentials in the organization.
- Conduct focus groups and surveys to determine the extent to which male leaders practice gender inclusive leadership.
- Track the assignment of mentors to high-potential women to determine who are the best mentors and their most effective actions to develop high-potential women.

Data and Observations #5: Purpose of Coaching Interventions — Coaching for leadership development is given to male high-potentials and coaching for remediation is more likely given to female high-potentials.

Challenge: Set up executive coaching and key developmental assignments. While coaching is quite popular in organizations today, there is a difference in how it is being applied to men versus women leaders in practice. For men, the emphasis is on development and the benefits to high-potentials are clear. For women, however, the focus tends to be more remedial in nature – even among high-potentials. Once they have been identified as having leadership stretch, they are given a coach to “round them out.” Many organizations use executive coaching to remediate these perceived deficiencies in women, such as “pushiness,” poor interpersonal skills such as displays of anger or arrogance, and lack of “strategic thinking.” Instead, using external coaching at an earlier point in women's careers or linked to other development activities may be more effective in helping them to get the most from “key challenging experiences.”

In addition to internal mentors, pairing external coaching with key developmental experiences provides high-potential women with the opportunity to use coaches as safe “sound-boards” and to raise difficult issues with a knowledgeable leadership development professional who is outside the organization. Positioning matters here as well. If an organization sets-up the coaching intervention as a “fix-it,” the relationship

will be established in that context, i.e., there is a problem with the high-potential to be solved. The better approach is to focus on enhancing an individual's effectiveness overall.

Call to Action:

- Determine to what extent external coaching is used in conjunction with key developmental experiences.
- Apply coaching and key challenging experiences in tandem to enable high-potentials to engage in reflection to capture key learnings from these challenges.
- Ensure the positioning of all coaching interventions is done in a positive development context (unless the situation is truly a remedial one).
- Track progress and outcomes for high-potential women and replace coaches that are less effective at achieving results.

Summary

Gender inclusiveness is defined as the way an organization configures its systems and structures to value and leverage the potential, and to limit the disadvantages, of differences (Roberson, 2006). This applies to all employees whether they are high-potentials or not. What may be done to imbue gender inclusiveness in organizational systems, structures, and culture? How do we ensure talent management systems are identifying and moving women into the most senior roles? What are the research-based factors and best practices that must be considered to improve assessment and development for high-potential women? Although senior leaders have been grappling with these strategic questions as well as tactical ways to improve the numbers of women moving through the leadership pipeline, it is clear that the relative numbers of female leaders from mid-level to the top of organizations make gender inclusiveness an elusive goal.

There is a wide range of resources, programs, and policies that CEOs and CHROs may utilize to support the advancement of women in their organizations. Recent research evidence reveals the hidden pitfalls and problems in the way many talent management programs are currently implemented. However, more careful attention and tracking of such programs can help to avoid these dangers that often inadvertently discourage or reduce the numbers of talented women moving through the leadership pipeline. Programs involving assessment and development are particularly impactful opportunities for the development of high-potential women. Because many high-potential women can benefit from feedback-rich environments, most will welcome opportunities that provide honest, realistic feedback about their performance. The implementation of practices such as mentoring, 360-degree feedback, executive coaching, and personal feedback from bosses and peers can help women gain a better perspective on their strengths and challenge areas (Valerio, 2009). High-potential women also need to be given the key challenging assignments that enable them to develop as leaders who move through the leadership pipeline toward top management roles. ■■

Anna Marie Valerio, Ph.D. is an executive coach, president of Executive Leadership Strategies, and the author of two books, *Developing Women Leaders: A Guide for Men and Women in Organizations and Execu-*

tive Coaching: A Guide for the HR Professional (co-authored with Robert J. Lee.). She has more than 20 years of management and consulting experience in a variety of organizations and with Fortune 500 clients. She can be reached at www.executiveleadershipstrategies.com.

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